

To Our Shareholders

In accordance with its corporate mission of “Our Steel, Your Future” the Yamato Kogyo Group operates from its headquarters in Himeji, with overseas locations in the United States, Thailand, South Korea, the Middle East (Bahrain, Saudi Arabia) and Vietnam. We put our conviction into our mission in an effort to fulfill the infrastructural needs of those countries and regions through locally produced products for local use, and to support the development of each country and region and the current and future lives of the people living there.

In FY2022, a strong performance in the US business was the driver for consolidated results for the Group as a whole, in addition to which businesses in the various other countries also made a contribution, resulting in the highest ordinary profit and profit attributable to owners of parent on record for the second consecutive year. In preparation for further growth in the business in FY2023, and with the objective of further developing and expanding the overseas businesses that are the source of our growth, we will intensify measures aimed at improving business at our existing overseas sites, actively address the challenges of new growth investments for the future, as well as focus even more tightly on developing the human resources to support them.

The Company will continue to promote growth investments and returns to shareholders, and strive to respond to their expectations by achieving sustainable increases in corporate value.

We ask for your further and continued support going forward.



Representative Director, President



MISSION

Our Steel, Your Future

- Creating more value for an even richer society -

VISION

To be a global leading company with cutting-edge technology supporting world's infrastructure

Yamato SPIRIT - We are

- | | |
|----------------------|--|
| Pride | committed to be professionals of Steel and Trackwork business. |
| Manufacturing | committed to deliver world class products with the highest safety standards in mind. |
| Global | committed to be successful anywhere in the world. |
| Harmony | committed to be "One Team" beyond nationality, race, age or gender. |
| Fairness | committed to be honest and maintain the highest level of ethical standards. |
| Challenge | committed to challenge the future with no fear of failure. |

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

To Our Shareholders

Securities code: 5444

June 9, 2023

(Date on which measures for providing information in electronic format begin: June 1, 2023)

Mikio Kobayashi
Representative Director, President
Yamato Kogyo Co., Ltd.
380 Kibi, Otsu-ku, Himeji, Hyogo Pref.

Notice of the 104th Ordinary General Meeting of Shareholders

We are pleased to invite you to attend the 104th Ordinary General Meeting of Shareholders of Yamato Kogyo Co., Ltd. (hereinafter “the Company”), which will be held as described below.

In convening this General Meeting of Shareholders, the Company has taken measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. (matters for which measures for providing information in electronic format are to be taken) in electronic format, and has posted the information on the following websites. Please access one of them to view the information.

<The Company’s website>

<https://www.yamatokogyo.co.jp/yamato/yamato1/en/financial/index.html>



Matters for which measures for providing information in electronic format are to be taken are also made available on the Listed Company Search website of the Tokyo Stock Exchange (TSE). Enter “Yamato Kogyo” in “Issue name (company name)” or “5444” in “Code,” click “Search,” then click “Basic information” and select “Documents for public inspection/PR information.”

<TOKYO STOCK EXCHANGE’s website (Search for a listed company) >

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>



If you are not attending in person on the day, you may exercise your voting rights either via the internet, etc. or in writing. Please review the Reference Documents for the General Meeting of Shareholders included in the matters for which measures for providing information in electronic format are to be taken, and exercise your voting rights by 5:00 p.m. on Wednesday, June 28, 2023 in accordance with the instructions provided below.

1. Date and Time 10:00 a.m., Thursday, June 29, 2023
2. Venue Korin, 3F, Hotel Nikko Himeji
100 Minami Ekimae-cho, Himeji, Hyogo Pref.
The venue is different than that used for the previous General Meeting of Shareholders, so please be sure to refer to the attached “Directions to the Venue for the General Meeting of Shareholders.”

3. Objectives

Matters to be reported

- (1) Report of the Business Report, Consolidated Financial Statements, and Audit Reports of the Accounting Auditor and the Audit & Supervisory Board for the Consolidated Financial Statements for the 104th fiscal year (April 1, 2022 to March 31, 2023)
- (2) Report of the Non-consolidated Financial Statements for the 104th fiscal year (April 1, 2022 to March 31, 2023)

Matters to be resolved

Proposal No.1	Appropriation of Surplus
Proposal No.2	Election of Eight (8) Directors
Proposal No.3	Election of Two (2) Audit & Supervisory Board Members
Proposal No.4	Election of One (1) Substitute Audit & Supervisory Board Member
Proposal No.5	Revision of Amount of Remuneration of Directors

- In the event of revisions to matters for which measures for providing information in electronic format are to be taken, details of the matters both before and after revision will be provided on the websites on which the matters have been made available.
- In accordance with laws and regulations and the Articles of Incorporation, the following items among the matters for which measures for providing information in electronic format are to be taken will not be included in the paper-based documents provided to shareholders requesting the delivery of paper-based documents (for this General Meeting of Shareholders, paper-based documents will be delivered to all shareholders even in cases where no such request was made). These items include the Business Report, Consolidated Financial Statements, and Non-consolidated Financial Statements audited by the Audit & Supervisory Board Members, and the Consolidated Financial Statements and Non-consolidated Financial Statements audited by the accounting auditor.
 - “Notes to Consolidated Financial Statements” in Consolidated Financial Statements
 - “Notes to Non-consolidated Financial Statements” in Non-consolidated Financial Statements

Reference Documents for the General Meeting of Shareholders

Proposals and Reference Information

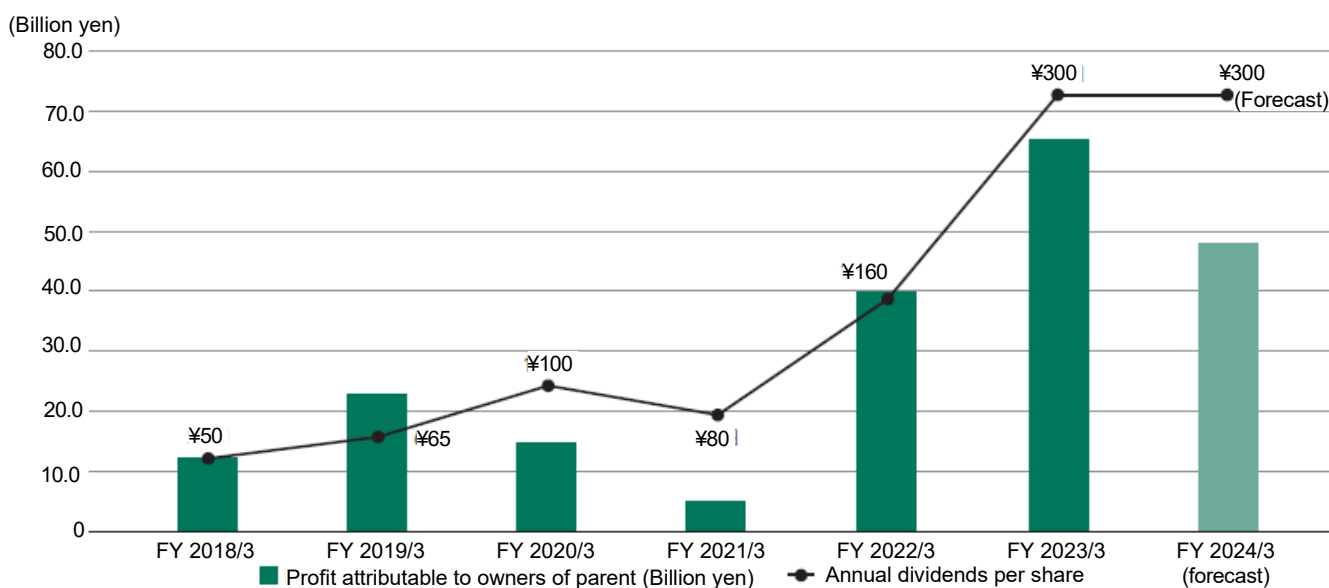
Proposal No. 1 Appropriation of Surplus

The year-end dividend for the fiscal year under review will be as follows, considering consolidated management performance of the Group inside and outside Japan, financial condition and future business expansion based on internal reserves.

Matters regarding year-end dividends

- (1) Type of dividend property Cash
- (2) Allotment of dividend property to shareholders and the total amount
¥150 per common share of Company stock
Total amount: ¥9,701,837,550
(The annual dividend totals ¥300 including an interim dividend of ¥150 per share)
- (3) Effective date of dividends of surplus
June 30, 2023

[Reference] Dividends per share



Proposal No. 2 Election of Eight (8) Directors

The terms of office of eight (8) Directors Hiroyuki Inoue, Katsumasa Kohata, Kazuhiro Tsukamoto, Kazumi Yonezawa, Damri Tunshevavong, Takenosuke Yasufuku, Kunitoshi Takeda, and Motomu Takahashi will expire upon the conclusion of the General Meeting. Therefore, the Company proposes the election of eight (8) Directors.

The candidates for Director are as follows:

No.	Name (Age)		Current position in the Company	Years of office as Director	Attendance at Board of Directors meetings
1	Hiroyuki Inoue (78)	[Reelection]	Chairman	49 years	100% (6/6)
2	Katsumasa Kohata (70)	[Reelection]	Representative Director, Executive Vice President	8 years	100% (6/6)
3	Kazuhiro Tsukamoto (62)	[Reelection]	Director, Managing Executive Officer	6 years	100% (6/6)
4	Kazumi Yonezawa (59)	[Reelection]	Director, Managing Executive Officer	4 years	100% (6/6)
5	Damri Tunshevavong (69)	[Reelection]	Director	12 years	100% (6/6)
6	Takenosuke Yasufuku (49)	[Reelection]	Director	8 years	100% (6/6)
7	Kunitoshi Takeda (67)	[Reelection] [Outside]	Outside Director	4 years	100% (6/6)
8	Motomu Takahashi (70)	[Reelection] [Outside]	Outside Director	2 years	100% (6/6)

[Reelection] Candidate for Reelection as Director
 [Outside] Candidate for Outside Director

- (Notes)
1. The ages of the candidates are the ages as of the conclusion of the General Meeting.
 2. There is no special interest between any of the candidates and the Company.
 3. The term of office of Kunitoshi Takeda as an Outside Director of the Company will be four years as of the conclusion of the Ordinary General Meeting of Shareholders.
 4. The term of office of Motomu Takahashi as an Outside Director of the Company will be two years as of the conclusion of the Ordinary General Meeting of Shareholders.
 5. Kunitoshi Takeda and Motomu Takahashi are candidates for Outside Director. Kunitoshi Takeda and Motomu Takahashi have been designated as independent officers in accordance with the provisions of Tokyo Stock Exchange, and will continue to be designated as independent officers if their re-election is approved. The criteria for determining the independence of Outside Officers specified by the Company are stated on pages 19 and 20.
 6. The Company has concluded agreements with Directors who are not Executive Directors limiting their liability for compensation of damages under Article 427, Paragraph 1 of the Companies Act, and the limit on liability of Directors pursuant to the agreements is the minimum liability amount specified under Article 425, Paragraph 1 of the same Act. If Damri Tunshevavong, Takenosuke Yasufuku, Kunitoshi Takeda, and Motomu Takahashi are reelected, the Company plans to renew the agreement with them.
 7. The Company has entered into a directors and officers liability insurance policy pursuant to Article 430-3, Paragraph 1 of the Companies Act with an insurance company and damages arising from being held liable for the execution of duties by the insured and being subject to claims seeking such liability are covered by the insurance policy, with the Company bearing the cost of all insurance premiums. However, damages, etc. caused by acts conducted while aware of a violation of laws and regulations are excluded from coverage to ensure the appropriateness of execution of duties of the insured is not impaired. All candidates for Director are included in the insured under the insurance policy.

No.	Name (Date of birth)	Career summary, position in the Company, responsibilities and significant concurrent positions outside the Company	
1	Hiroyuki Inoue (February 9, 1945) (78 years of age) [Reelection]	Mar. 1969	Joined Yamato Kogyo Co., Ltd.
		Dec. 1973	Director, General Manager, Research & Planning Office, Yamato Kogyo Co., Ltd.
		Jun. 1974	Managing Director, Yamato Kogyo Co., Ltd.
		Jan. 1978	Representative Director, Senior Managing Director, Yamato Kogyo Co., Ltd.
		Dec. 1981	Representative Director, President, Yamato Kogyo Co., Ltd.
		Jun. 2017	Chairman, Yamato Kogyo Co., Ltd. (to present)
<p>[Reasons for nomination as candidate for Director] As Representative Director, President of the Company between 1981 and 2017, Hiroyuki Inoue provided strong leadership to lead the Group, appropriately making crucial management decisions and executing important matters of business. Based on his extensive experience and track record, the Company has determined that he is an appropriate person for the realization of sustained improvement of the Company's corporate value, and proposes his re-election as Director.</p>			

No.	Name (Date of birth)	Career summary, position in the Company, responsibilities and significant concurrent positions outside the Company	
2	Katsumasa Kohata (August 13, 1952) (70 years of age) [Reelection]	Feb. 1977	Joined Yamato Kogyo Co., Ltd.
		Jul. 2000	General Manager, Steel Division, Yamato Kogyo Co., Ltd.
		Oct. 2003	General Manager, Steel Division, Yamato Steel Co., Ltd.
		Jun. 2004	Director, General Manager, Steel Division, Yamato Steel Co., Ltd.
		Jun. 2008	Managing Director in charge of Factories, Yamato Steel Co., Ltd.
		Jun. 2012	Representative Director, Senior Managing Director in charge of Factories, Yamato Steel Co., Ltd.
		Jun. 2015	Representative Director, President, Yamato Steel Co., Ltd.
		Jun. 2015	Director, Yamato Kogyo Co., Ltd.
		Jun. 2017	Director in charge of Technology Management Department, Yamato Kogyo Co., Ltd.
		Jun. 2020	Representative Director, Vice President Chief Technology Officer (Steel Business) in charge of Technology Management Department, Yamato Kogyo Co., Ltd.
		Jun. 2021	Representative Director, Executive Vice President Chief Technology Officer (Steel Business) in charge of Technology Management Department, Yamato Kogyo Co., Ltd. (to present)
<p>[Reasons for nomination as candidate for Director] Katsumasa Kohata was appointed Representative Director, Vice President of the Company in June 2020, and has utilized the extensive experience and knowledge obtained in the Steel Business to exhibit strong leadership, appropriately making crucial management decisions and executing important matters of business. The Company has determined that he is an appropriate person for the realization of sustained improvement of the Company's corporate value, and proposes his re-election as Director.</p>			

No.	Name (Date of birth)	Career summary, position in the Company, responsibilities and significant concurrent positions outside the Company		
3	Kazuhiro Tsukamoto (September 1, 1960) (62 years of age) [Reelection]	Mar. 2009	General Manager, Iron & Steel Investment Department, Iron & Steel Products Division, Americas Business Unit, Mitsui & Co., Ltd.	Years of office as Director: 6 years Attendance at Board of Directors meetings: 100% (6/6) Number of the Company's shares owned: 3,371 shares
		Apr. 2013	Director, Mitsui & Co. Europe and Chief Administrative Officer, EMEA (Europe, the Middle East and Africa) Business Unit, Mitsui & Co., Ltd.	
		Jul. 2015	Managing Director, General Manager, Steel Plate & Pipe Business Unit, Mitsui & Co. Steel Ltd.	
		Jun. 2017	Managing Director in charge of Business Development Department, Yamato Kogyo Co., Ltd.	
		Jun. 2020	Managing Director in charge of Overseas Business Unit, Yamato Kogyo Co., Ltd.	
		Jun. 2021	Director, Managing Executive Officer in charge of Overseas Business Unit, Yamato Kogyo Co., Ltd.	
		Jul. 2022	Director, Managing Executive Officer in charge of Overseas Business Unit and Sustainability Management Promotion Office, Yamato Kogyo Co., Ltd. (to present)	
<p>[Reasons for nomination as candidate for Director]</p> <p>Kazuhiro Tsukamoto has extensive experience and knowledge of overseas business development and administration, and as Director in charge of Overseas Business Unit and Sustainability Management Promotion Office, he has appropriately made crucial supervision and management decisions, and executed important matters of business. The Company has determined that he is an appropriate person for the realization of sustained improvement of the Company's corporate value, and proposes his re-election as Director.</p>				

No.	Name (Date of birth)	Career summary, position in the Company, responsibilities and significant concurrent positions outside the Company		
4	Kazumi Yonezawa (September 7, 1963) (59 years of age) [Reelection]	Apr. 2011	General Manager, Hyogo Corporate Sales Department, Sumitomo Mitsui Banking Corporation	Years of office as Director: 4 years Attendance at Board of Directors meetings: 100% (6/6) Number of the Company's shares owned: 3,771 shares
		Apr. 2013	General Manager, Kobe Corporate Sales Department II, Sumitomo Mitsui Banking Corporation	
		Apr. 2016	Senior Examiner, Audit Department, Sumitomo Mitsui Banking Corporation	
		Jun. 2016	Audit & Supervisory Board Member, Yamato Kogyo Co., Ltd.	
		Jun. 2019	Director, Yamato Kogyo Co., Ltd.	
		Jun. 2019	Managing Director, Yamato Trackwork System Co., Ltd.	
		Jun. 2020	Managing Director in charge of Financial Accounting Department, General Affairs Department, and System Management Department, Yamato Kogyo Co., Ltd.	
Jun. 2021	Director, Managing Executive Officer in charge of Financial Accounting Department, General Affairs Department, Personnel Department and System Management Department, Yamato Kogyo Co., Ltd. (to present)			
<p>[Reasons for nomination as candidate for Director]</p> <p>Kazumi Yonezawa has many years of experience in the operations of financial institutions, and as the Director in charge of Financial Accounting Department, General Affairs Department, Personnel Department and System Management Department, he has also appropriately made crucial management decisions and executed important matters of business. The Company has determined that he is an appropriate person for the realization of sustained improvement of the Company's corporate value, and proposes his re-election as Director.</p>				

No.	Name (Date of birth)	Career summary, position in the Company, responsibilities and significant concurrent positions outside the Company	
5	Damri Tunshevavong (July 20, 1953) (69 years of age) [Reelection]	Jan. 1999 Managing Director, Siam Yamato Steel Co., Ltd.	Years of office as Director: 12 years Attendance at Board of Directors meetings: 100% (6/6) Number of the Company's shares owned: 0 shares
		Jul. 2004 Executive Vice President, Cementhai Holding Co., Ltd.	
		Feb. 2005 Director, Siam Yamato Steel Co., Ltd. (to present)	
		Jul. 2005 President, Cementhai Holding Co., Ltd.	
		Jan. 2011 Advisor, The Siam Cement Public Co., Ltd.	
		Jun. 2011 Director, Yamato Kogyo Co., Ltd. (to present)	
		Jul. 2020 Director, SCG Ceramics Public Co., Ltd. (to present)	
<p>[Reasons for nomination as candidate for Director] Damri Tunshevavong has been involved in projects for the Overseas Business of the Group, and has devoted himself to the development of the business overseas. The Company has determined that he is an appropriate person for the realization of sustained improvement of the Company's corporate value, and proposes his re-election as Director.</p>			

No.	Name (Date of birth)	Career summary, position in the Company, responsibilities and significant concurrent positions outside the Company	
6	Takenosuke Yasufuku (July 5, 1973) (49 years of age) [Reelection]	Jun. 2007 Director, Vice President, KOBE SHU-SHIN-KAN BREWERIES, LTD.	Years of office as Director: 8 years Attendance at Board of Directors meetings: 100% (6/6) Number of the Company's shares owned: 1,600 shares
		Aug. 2011 Representative Director and President, KOBE SHU-SHIN-KAN BREWERIES, LTD. (to present)	
		Jun. 2015 Director, Yamato Kogyo Co., Ltd. (to present)	
		(Significant Concurrent Positions Outside the Company) Representative Director and President, KOBE SHU-SHIN-KAN BREWERIES, LTD.	
<p>[Reasons for nomination as candidate for Director] Using the management experience and broad insights accumulated over many years in his role as Representative Director and President of KOBE SHU-SHIN-KAN BREWERIES, LTD., Takenosuke Yasufuku has provided valuable advice on the management of the Company in general. The Company has determined that he is an appropriate person for the realization of sustained improvement of the Company's corporate value, and proposes his re-election as Director.</p>			

No.	Name (Date of birth)	Career summary, position in the Company, responsibilities and significant concurrent positions outside the Company		
7	Kunitoshi Takeda (September 21, 1955) (67 years of age) [Reelection] [Outside]	Jul. 2007	Director, Overseas Region Business, Bridgestone Corporation	Years of office as Director: 4 years Attendance at Board of Directors meetings: 100% (6/6) Number of the Company's shares owned: 400 shares
		Jun. 2008	Chairman and General Manager, Bridgestone (China) Investment Co., Ltd.	
		Mar. 2010	Vice President-Officer, Bridgestone Corporation and Chairman and General Manager, Bridgestone (China) Investment Co., Ltd..	
		Jul. 2011	Vice President-Officer in charge of Specialty Tire Business, Bridgestone Corporation	
		Sep. 2012	Vice President-Officer in charge of Overseas Region Tire Business and Director, Overseas Region Tire Business, Bridgestone Corporation	
		Jul. 2014	Vice President-Officer, Bridgestone Corporation and Director, COO, Bridgestone Asia Pacific Pte. Ltd.	
		Mar. 2015	Vice President-Officer, Bridgestone Corporation and Director, COO, Bridgestone South Africa (Pty) Ltd.	
		Jun. 2019	Outside Director, Yamato Kogyo Co., Ltd. (to present)	
<p>[Reasons for nomination as candidate for Outside Director and outline of expected role] Kunitoshi Takeda has extensive experience and broad insights accumulated over many years of involvement in overseas business projects for Bridgestone Corporation. He has appropriately supervised management since becoming an Outside Director of the Company in June 2019, and the Company therefore proposes his re-election as Outside Director. In addition to supervising the Company's management in his role if elected as Outside Director, he is expected to provide advice to encourage the sustained growth and enhance medium- to long-term corporate value of the Company. The Company also plans to continue to delegate him as member of the Nomination and Remuneration Committees.</p>				

No.	Name (Date of birth)	Career summary, position in the Company, responsibilities and significant concurrent positions outside the Company		
8	Motomu Takahashi (June 12, 1953) (70 years of age) [Reelection] [Outside]	Apr. 2009	Managing Officer, Mitsui & Co., Ltd. and EVP, Mitsui & Co. (U.S.A.)	Years of office as Director: 2 years Attendance at Board of Directors meetings: 100% (6/6) Number of the Company's shares owned: 400 shares
		Apr. 2010	Managing Officer, Chief Operating Officer, Iron & Steel Products Business Unit, Mitsui & Co.	
		Apr. 2011	Executive Managing Officer, Chief Operating Officer, Iron & Steel Products Business Unit, Mitsui & Co.	
		Apr. 2014	Senior Executive Managing Officer, Mitsui & Co. and President & CEO, Mitsui & Co. (U.S.A.)	
		Apr. 2015	Executive Vice President, Mitsui & Co. and President & CEO, Mitsui & Co. (U.S.A.)	
		Jun. 2016	Representative Director, Executive Vice President, Mitsui & Co.	
		Apr. 2017	Member, APEC Business Advisory Council Japan	
		Jun. 2017	Counselor, Mitsui & Co., Ltd.	
		Jun. 2021	Outside Director, Yamato Kogyo Co., Ltd. (to present)	
<p>[Reasons for nomination as candidate for Outside Director and outline of expected role] Having served in such roles as Representative Director Executive Vice President of Mitsui & Co., Motomu Takahashi has extensive management experience and an outstanding track record in and knowledge of the iron and steel sector. He has appropriately supervised management since becoming an Outside Director of the Company in June 2021, and the Company therefore proposes his re-election as Outside Director. In addition to supervising the Company's management in his role if elected as Outside Director, he is expected to provide advice to encourage the sustained growth and enhance medium- to long-term corporate value of the Company. The Company also plans to continue to delegate him as member of the Nomination and Remuneration Committees.</p>				

Proposal No. 3 Election of Two (2) Audit & Supervisory Board Members

The terms of office of Audit & Supervisory Board Members Shigeaki Katayama and Mikio Nakajo will expire upon the conclusion of the General Meeting. Therefore, the Company proposes the election of two (2) Audit & Supervisory Board Members.

Furthermore, this proposal has been approved by the Audit & Supervisory Board.

The candidates for Audit & Supervisory Board Members are as follows:

No.	Name (Date of birth)	Career summary, position in the Company, responsibilities and significant concurrent positions outside the Company		
1	Shigeaki Katayama (September 3, 1956) (66 years of age) [Reelection] [Outside]	Feb. 2003	Branch Manager of Milan Branch, Mizuho Corporate Bank, Ltd. (now Mizuho Bank, Ltd.)	Years of office as Auditor: 4 years
		Mar. 2004	General Manager, Market Business Operations Division, Mizuho Corporate Bank, Ltd. (now Mizuho Bank, Ltd.)	Attendance at Board of Directors meetings: 100% (6/6)
		Jan. 2005	Senior General Manager, Business Operations Division, Mizuho Corporate Bank, Ltd. (now Mizuho Bank, Ltd.)	Attendance at Audit & Supervisory Board meetings: 100% (13/13)
		Apr. 2007	Senior General Manager, IT Systems Supervisory Division, Mizuho Corporate Bank, Ltd. (now Mizuho Bank, Ltd.)	
		Apr. 2008	Executive Officer, Senior General Manager, IT Systems Supervisory Division, Mizuho Corporate Bank, Ltd. (now Mizuho Bank, Ltd.)	Number of the Company's shares owned: 1,500 shares
		Apr. 2011	Managing Executive Officer, General Manager, IT Headquarters, Mizuho Securities Co., Ltd.	
		Jun. 2014	Senior Managing Director, Nippon Securities Technology Co., Ltd.	
		Jun. 2015	Outside Auditor, IBJ Leasing Company, Ltd.	
		Jun. 2019	Outside Audit & Supervisory Board Member (full-time), Yamato Kogyo Co., Ltd. (to present)	
[Reasons for nomination as candidate for Outside Audit & Supervisory Board Member] Shigeaki Katayama has extensive experience accumulated over many years of involvement in the operations of financial institutions. His broad insights into finance and accounting have been reflected in the audits of the Company, and the Company therefore proposes his re-election as Outside Audit & Supervisory Board Member.				

No.	Name (Date of birth)	Career summary, position in the Company, responsibilities and significant concurrent positions outside the Company	
2	Mikio Nakajo (March 19, 1963) (60 years of age) [Reelection] [Outside]	<p>Apr. 1998 Registered as attorney, joined Sawada Kikui Law Office (now Sawada Nakajo Mori Law Office)</p> <p>Apr. 2005 Partner, Sawada Kikui Law Office (now Sawada Nakajo Mori Law Office)</p> <p>Jun. 2010 Outside Corporate Auditor, Nishishiba Electric Co., Ltd.</p> <p>Jun. 2011 Audit & Supervisory Board Member, GLORY Co., Ltd.</p> <p>May 2019 Representative Partner, Sawada Nakajo Mori Law Office (to present)</p> <p>Jun. 2019 Outside Audit & Supervisory Board Member, Yamato Kogyo Co., Ltd. (to present)</p> <p>May 2020 Outside Director (Audit and Supervisory Committee Member), MORESCO Corporation (to present)</p> <p>Apr. 2022 President, Hyogo Prefecture Bar Association</p> <p>(Significant Concurrent Positions Outside the Company) Representative Partner, Sawada Nakajo Mori Law Office Outside Director (Audit and Supervisory Committee Member), MORESCO Corporation</p>	<p>Years of office as Director: 4 years</p> <p>Attendance at Board of Directors meetings: 100% (6/6)</p> <p>Attendance at Audit & Supervisory Board meetings: 100% (13/13)</p> <p>Number of the Company's shares owned: 700 shares</p>
<p>[Reasons for nomination as candidate for Outside Audit & Supervisory Board Member]</p> <p>Mikio Nakajo's specialist knowledge and wide-ranging experience, accumulated over many years of activity as an attorney, have been reflected in the audits of the Company, and the Company therefore proposes his re-election as Outside Audit & Supervisory Board Member. Although he has had no direct involvement in corporate management, he has management experience in the form of serving as representative partner of a law office, and for this reason the Company has determined that he will be able to execute his duties as an Outside Audit & Supervisory Board Member appropriately.</p>			

- (Notes)
1. The ages of the candidates are the ages as of the conclusion of the General Meeting.
 2. There is no special interest between either of the candidates and the Company.
 3. The term of office of Shigeaki Katayama as an Outside Audit & Supervisory Board Member of the Company will be four years as of the conclusion of the Ordinary General Meeting of Shareholders.
 4. The term of office of Mikio Nakajo as an Outside Audit & Supervisory Board Member of the Company will be four years as of the conclusion of the Ordinary General Meeting of Shareholders.
 5. Shigeaki Katayama and Mikio Nakajo are candidates for Outside Audit & Supervisory Board Member. Shigeaki Katayama and Mikio Nakajo have been designated as independent officers in accordance with the provisions of Tokyo Stock Exchange, and will continue to be designated as independent officers if their re-election is approved. The criteria for determining the independence of Outside Officers specified by the Company are stated on pages 19 and 20.
 6. The Company has concluded agreements with Audit & Supervisory Board Members limiting their liability for compensation of damages under Article 427, Paragraph 1 of the Companies Act, and the limit on liability of Directors pursuant to the agreements is the minimum liability amount specified under Article 425, Paragraph 1 of the same Act. If Shigeaki Katayama and Mikio Nakajo are reelected, the Company plans to renew the agreements with them.
 7. The Company has entered into a directors and officers liability insurance policy pursuant to Article 430-3, Paragraph 1 of the Companies Act with an insurance company and damages arising from being held liable for the execution of duties by the insured and being subject to claims seeking such liability are covered by the insurance policy, with the Company bearing the cost of all insurance premiums. However, damages, etc. caused by acts conducted while aware of a violation of laws and regulations are excluded from coverage to ensure the appropriateness of execution of duties of the insured is not impaired. All candidates for Audit & Supervisory Board Members are included in the insured under the insurance policy.

Proposal No. 4 Election of One (1) Substitute Audit & Supervisory Board Member

The appointment of Kazunori Tanibayashi as Substitute Audit & Supervisory Board Member at the 100th Ordinary General Meeting of Shareholders held on June 27, 2019, ceases to be effective at the conclusion of this General Meeting of Shareholders. Accordingly, to provide against a situation in which the number of Audit & Supervisory Board Members falls below that prescribed by laws and regulations, the Company proposes to again elect one (1) Substitute Audit & Supervisory Board Member.

Furthermore, this proposal has been approved by the Audit & Supervisory Board.

The candidates for Substitute Audit & Supervisory Board Member are as follows:

Name (Date of birth)	Career summary, position in the Company, responsibilities and significant concurrent positions outside the Company	
<p style="text-align: center;">Kazunori Tanibayashi (February 25, 1964) (59 years of age) [Outside]</p>	<p>Oct. 2002 Registered as attorney, joined Sawada Kikui Law Office (now Sawada Nakajo Mori Law Office)</p>	<p>Number of the Company's shares owned: 0 shares</p>
	<p>Jan. 2009 Partner, Numata Tanibayashi Law Office (now Kazunori Tanibayashi Law Office)</p>	
	<p>Feb. 2018 Representative Partner, Kazunori Tanibayashi Law Office (to present)</p>	
	<p>Jun. 2019 Outside Auditor, HARIMA-KYOWA CO., LTD. (to present) (Significant Concurrent Positions Outside the Company) Representative Partner, Sawada Nakajo Mori Law Office Outside Auditor, HARIMA-KYOWA CO., LTD.</p>	
<p>[Reasons for nomination as candidate for Substitute Outside Audit & Supervisory Board Members] Kazunori Tanibayashi's specialist knowledge and wide-ranging experience, accumulated over many years of activity as an attorney, are expected to be reflected in the audits of the Company, and the Company therefore proposes his election as Substitute Outside Audit & Supervisory Board Member. Although he has had no direct involvement in corporate management, he has management experience in the form of serving as representative partner of a law office, and for this reason the Company has determined that he will be able to execute his duties as an Outside Audit & Supervisory Board Members appropriately.</p>		

- (Notes)
1. The age of the candidate is the age as of the conclusion of the General Meeting.
 2. There is no special interest between the candidate and the Company.
 3. Kazunori Tanibayashi is candidate for Substitute Outside Audit & Supervisory Board Member. In the event that he is appointed Outside Audit & Supervisory Board Member, the Company intends to designate him an independent officer in accordance with the provisions of Tokyo Stock Exchange. The criteria for determining the independence of Outside Officers specified by the Company are stated on pages 19 and 20.
 4. In the event that Kazunori Tanibayashi is appointed Outside Audit & Supervisory Board Member, the Company intends to enter into an agreement limiting liability with him, in accordance with Article 427, Paragraph 1 of the Companies Act. The limit on Audit & Supervisory Board Member liability pursuant to the agreement is the minimum liability amount specified under Article 425, Paragraph 1 of the same Act.
 5. The Company has entered into a directors and officers liability insurance policy pursuant to Article 430-3, Paragraph 1 of the Companies Act with an insurance company and damages arising from being held liable for the execution of duties by the insured and being subject to claims seeking such liability are covered by the insurance policy, with the Company bearing the cost of all insurance premiums. However, damages, etc. caused by acts conducted while aware of a violation of laws and regulations are excluded from coverage to ensure the appropriateness of execution of duties of the insured is not impaired. In the event that Kazunori Tanibayashi is appointed Audit & Supervisory Board Member, he will be included in the insured under the insurance policy.

Proposal No. 5 Revision of Amount of Remuneration of Directors

The amount of remuneration of the Company's Directors was approved to be up to ¥470 million per year in the 98th Ordinary General Meeting of Shareholders held on June 29, 2017, including up to ¥70 million annually for Outside Directors, approval for which was received at the 103rd Ordinary General Meeting of Shareholders held on June 29, 2022. However, following the introduction of performance-linked remuneration, and taking into account record profits posted for two consecutive fiscal years, changes in the economic situation, and other circumstances, the Company requests approval of revising the amount of remuneration of Directors from ¥470 million to up to ¥720 million per year (including a portion for Outside Directors of up to ¥70 million per year).

There are currently 11 Directors (including four Outside Directors), and if Proposal No.2 is approved in its original form, the number of Directors will remain unchanged at 11 (including four Outside Directors).

This proposal was determined after comprehensively taking into account the scale of the Company's business, the remuneration structure and levels of pay for officers, the duties and degree of contribution by individual Directors, and other factors. Moreover, it was decided by the Board of Directors following a report from the Remuneration Committee, a majority of whose members consist of Outside Directors, and the contents are judged by the Company to be reasonable.

[Reference] Structure of the Board of Directors and the Audit & Supervisory Board After the Approval of Proposal No. 2 and 3

If Proposal No. 2 and 3 are approved as proposed, the structure of the Board of Directors will be as follows in the meeting of the Board of Directors held after the conclusion of the Ordinary General Meeting of Shareholders.

The 11 Directors will include four Outside Directors (36%) and one woman (9%), and the five members of the Nomination and Remuneration Committee will include four Independent Officers (Directors and Audit & Supervisory Board Members) (80%).

	Name	Attributes	Positions and Committee Memberships, etc., to be Assumed	Age	Years in Office	Number of the Company's shares owned (as of Apr. 30, 2023)	Experience, Knowledge and Expertise
Board of Directors	Hiroyuki Inoue	Male Executive	Chairman	78	49 years	7,559,624 shares	General management Global experience Technology development/DX Business strategy/marketing
	Mikio Kobayashi	Male Executive	Representative Director, President Chair of Sustainability Committee	66	11 years	9,813 shares	General management Global experience Business strategy/marketing CSR/sustainability
	Katsumasa Kohata	Male Executive	Representative Director, Executive Vice President Chief Technology Officer (Steel Business) In charge of Technology Management Department	70	8 years	10,966 shares	General management Global experience Technology development/DX
	Kazuhiro Tsukamoto	Male Executive	Director, Managing Executive Officer In charge of Overseas Business Unit and Sustainability Management Promotion Office Member of Sustainability Committee	62	6 years	3,371 shares	General management Global experience Business strategy/marketing CSR/sustainability Finance & accounting/business investment
	Kazumi Yonezawa	Male Executive	Director, Managing Executive Officer In charge of General Affairs Department, Personnel Department and System Management Department Member of Nomination Committee Member of Remuneration Committee Member of Sustainability Committee	59	4 years	3,771 shares	Business strategy/marketing CSR/sustainability Finance & accounting/business investment Legal affairs/risk management
	Damri Tunshevavong	Male Non-Japanese Non-executive	Director	69	12 years	0 shares	General management Global experience Business strategy/marketing

	Takenosuke Yasufuku	Male Non-executive	Director Member of Sustainability Committee	49	8 years	1,600 shares	General management Global experience CSR/sustainability Legal affairs/risk management
	Kiyoshige Akamatsu	Male Non-executive Independent/ Outside	Outside Director Chair of Nomination Committee Chair of Remuneration Committee Member of Sustainability Committee	74	7 years	2,700 shares	General management Global experience Business strategy/marketing Finance & accounting/business investment
	Kunitoshi Takeda	Male Non-executive Independent/ Outside	Outside Director Member of Nomination Committee Member of Remuneration Committee Member of Sustainability Committee	67	4 years	400 shares	General management Global experience Business strategy/marketing Finance & accounting/business investment
	Motomu Takahashi	Male Non-executive Independent/ Outside	Outside Director Member of Nomination Committee Member of Remuneration Committee Member of Sustainability Committee	70	2 years	400 shares	General management Global experience Business strategy/marketing CSR/sustainability
	Pimjai Wangkiat	Female Non-Japanese Non-executive Independent/ Outside	Outside Director	59	1 year	0 shares	General management Global experience Business strategy/marketing Finance & accounting/business investment
Audit and Supervisory Board	Kengo Nakaya	Male Non-executive	Audit & Supervisory Board Member (full-time)	56	3 years	2,800 shares	Global experience Finance & accounting/business investment
	Shigeaki Katayama	Male Non-executive Independent/ Outside	Outside Audit & Supervisory Board Member(full-time) Member of Nomination Committee Member of Remuneration Committee	66	4 years	1,500 shares	General management Global experience Business strategy/marketing Finance & accounting/business investment
	Mikio Nakajo	Male Non-executive Independent/ Outside	Outside Audit & Supervisory Board Member	60	4 years	700 shares	Legal affairs/risk management

[Reference] The Company has introduced an executive officer system.

After this general meeting of shareholders, the executive officer system will be as follows.

Current Position	Name	Responsibilities
Representative Director, Executive Vice President Chief Technology Officer (Steel Business)	Katsumasa Kohata	In charge of Technology Management Department
Director, Managing Executive Officer	Kazuhiro Tsukamoto	In charge of Overseas Business Unit and Sustainability Management Promotion Office
Director, Managing Executive Officer	Kazumi Yonezawa	In charge of General Affairs Department, Personnel Department and System Management Department
Managing Executive Officer	Yoshikazu Kotera	In charge of Financial Accounting Department and Risk Management Department
Executive Officer	Masahiko Nishikawa	General Manager, Technology Management Department
Executive Officer	Akihiko Hanamoto	General Manager, Financial Accounting Department

[Reference] The Company's Criteria for Determining the Independence of Outside Officers

The Company has specified the criteria for determining the independence of Outside Directors and Outside Audit & Supervisory Board Members (collectively referred to as "Outside Officers" below) and candidates for Outside Officer as follows, and deems that they have independence and that there is no risk of a conflict of interest with general shareholders if none of the following items applies.

1. A person who is an executive (Note 1) of the Company or the Company's subsidiaries (collectively referred to as "the Group" below) or has been an executive of the Group in the past ten years (however, in the case of a person who was a non-executive Director, Audit & Supervisory Board Members or Accounting Advisor of the Group in the past ten years, the ten years before appointment to these positions)
2. A person for which the Group is a major transaction partner (Note 2), or an executive thereof
3. A person who is a major transaction partner of the Group (Note 3), or an executive thereof
4. A consultant, accounting expert or legal expert who has obtained a large sum of money or other property (Note 4) other than officer remuneration from the Group (if the person who obtained the property is an organization such as a corporation or an association, a person who belongs to said organization)
5. A person who belongs to an audit firm conducting statutory audits of the Group
6. A person who has received a donation or grant exceeding a certain amount (Note 5) from the Group (if the person who obtained the donation or grant is an organization such as a corporation or an association, an executive of said organization)
7. An executive of major financial institution or other large creditor (Note 6) that is essential for the Group's financing and is depended upon to a degree that it is irreplaceable, or the parent company or a subsidiary thereof
8. A major shareholder (Note 7) of the Company, or if the major shareholder is a corporation, an executive of the corporation
9. An executive of a company of which the Company is a major shareholder
10. An executive of a company that has accepted a director (regardless of whether full-time or part-time) from the Group, or the parent company or a subsidiary thereof
11. A person who has fallen under 2 through 10 above in the past three years
12. A close relative (Note 9) of a person who falls under 1 through 11 above (limited to persons in a significant position (Note 8))
13. Notwithstanding the provisions of the preceding items, a person otherwise found to have special grounds that could cause a conflict of interest with the Company

- (Notes)
1. An executive refers to an executive prescribed in Article 2, Paragraph 3, Item (vi) of the Regulations for Enforcement of the Companies Act, and includes not only executive directors but also employees. Audit & Supervisory Board Members are not included. Note that outside Audit & Supervisory Board Members include non-executive directors.
 2. A person for which the Group is a major transaction partner is a business partner group (meaning a corporate group made up of a direct business partner, the parent company and subsidiaries thereof, and subsidiaries of the parent company; the same applies below) providing products or services to the Group, for which the transaction amount in the most recent fiscal year exceeds 2% of the annual consolidated net sales of that group.
 3. A major transaction partner of the Group is a transaction partner group to which the Group provides products or services and the transaction amount for the most recent fiscal year exceeds 2% of the annual consolidated net sales of the Group.
 4. A large sum of money or other property refers to money or other economic benefit exceeding ¥10 million other than officer remuneration in the most recent fiscal year (if the person who obtained the property is an organization such as a corporation or an association, money or other property exceeding 2% of the total revenue of the organization in the most recent fiscal year).
 5. A donation or grant exceeding a certain amount refers to a donation or a grant exceeding the higher of either an average of ¥10 million per year for the three most recent fiscal years or 2% of the total revenue for the most recent fiscal year.
 6. A major financial institution or other large creditor refers to a financial institution or creditor from whom the total amount of borrowings or the total amount of credit in the most recent fiscal year exceeds 2% of the total consolidated assets of the Company.
 7. A major shareholder refers to a shareholder holding 10% or more of voting rights.
 8. Persons in a significant position refer to directors (excluding outside directors), executives, executive officers, employees in a senior management position of general manager or higher, in addition to certified public accountants who belong to an audit firm or an accounting firm, attorneys who belong to a law firm, officers such as councilors, directors and auditors who belong to incorporated foundations, incorporated associations, incorporated schools and other corporations, and other persons objectively and rationally deemed to have equivalent importance.
 9. A close relative refers to a spouse or a person within two degrees of kinship.

[Attachment] Business Report (from April 1, 2022 to March 31, 2023)

1. Status of the Group's Business

(1) Business progress and results

During the consolidated fiscal year under review, the business environment surrounding the Group faced a global slump in steel market conditions and demand due to factors such as the protraction of the Ukraine situation, global increases in prices of resources, and a slowdown in the Chinese economy.

In such an environment, when looking at the impact on price and demand for H-beams and other products used in civil engineering and construction, the Group's main products, in the countries and regions where the Company operates globally, demand was steady in the US, Japan and the Middle East throughout the fiscal year, but softened in the ASEAN region, which is closely linked to the Chinese economy, from the second half.

However, as the scrap prices that constitutes the main raw material of our business began to fall after peaking in April, efforts made to improve the metal margin and reduce costs in each location resulted in generally steady performance.

As a result of the above, net sales for the current consolidated fiscal year were ¥180,438 million (up 20.3% year on year). With regard to profit, operating profit was ¥16,813 million (up 26.5% year on year), ordinary profit was ¥90,494 million (up 57.0% year on year) and profit attributable to owners of parent was ¥65,317 million (up 63.6% year on year). Ordinary profit and profit attributable to owners of parent posted record highs for the second consecutive year.

	Million yen	Year-on-year change
Net sales	180,438	up 20.3%
Operating profit	16,813	up 26.5%
Ordinary profit	90,494	up 57.0%
Profit attributable to owners of parent	65,317	up 63.6%

Results by segment during period under review are explained below.

Steel (Japan) Net sales 72,873 million yen +27.1% year on year

Major products	H-beam, channel, I-beam, sheet pile, patterned H-beams, rolled steel for shipbuilding, cast steel products, structural components for ships, heavy-duty machining
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At Yamato Steel Co., Ltd., although small and medium construction projects have been slow due to the impact of rising construction material prices, demand for H-beams and other products has been solid, mainly due to large construction projects such as urban redevelopment, logistics facilities and semiconductor factories. With blast furnace manufacturers concentrating on products such as steel sheet/plate, our efforts through integration of manufacturing and sales to acquire new customers and strengthen production and sales of large-sized products led to securing order volume centered on the mainstay product of H-beams for projects, and year-on-year sales volume increased. With regard to operating profit, although scrap prices that had been falling since May bottomed out in August and energy prices continued to rise from the beginning of the fiscal year, the metal margin improved due to raising sale prices, and profit increased significantly year on year.

As a result, sales were ¥72,873 million (an increase of ¥15,518 million in comparison with the previous year), and operating profit was ¥8,701 million (an increase of ¥6,355 million in comparison with the previous year).

Steel (Thailand) Net sales 97,331 million yen +18.0% year on year

Major products	H-beam, channel, I-beam, sheet pile
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At Siam Yamato Steel Co., Ltd., while there were signs of recovery in demand for structural steel in Thailand centered on large public investments, there was an overall lack of momentum such as customers refraining from purchases in anticipation of steel prices falling due to the fall in scrap prices, and sales volume was sluggish as a result. In the export market, as construction activity recovered within ASEAN, sales volume increased during the first half due to the inflow of Chinese and Korean products being at a comparatively low level, but the competitive environment gradually became harsher from the second half. Although operating profit decreased year on year due to a decrease in sales volume, metal margin improved and a high level of profit was secured as a result of efforts to maintain sales prices even while scrap prices fell.

As a result, sales were ¥97,331 million (an increase of ¥14,878 million in comparison with the previous year), and operating profit was ¥10,735 million (a decrease of ¥1,989 million in comparison with the previous year).

Trackwork Net sales 6,491 million yen -9.6% year on year
Materials

Major products	Turnouts, expansion joints, NEW crossings, glued insulated joint rail, anti-derailing guards, tie plates, bolts
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Sales were ¥6,491 million (a decrease of ¥687 million in comparison with the previous year), and operating profit was ¥250 million (a decrease of ¥282 million in comparison with the previous year).

Other Businesses Net sales 3,742 million yen +23.0% year on year

Sales were ¥3,742 million (an increase of ¥699 million in comparison with the previous year), and operating profit was ¥129 million (a decrease of ¥42 million in comparison with the previous year).

Overview of Major Overseas Locations with Affiliates Accounted for by the Equity Method

(United States)

At Nucor-Yamato Steel Company, although the impact of the Ukraine situation and the slowdown of the Chinese economy was limited in the US economy compared to other regions, inflation was a factor lowering the economy. Distributors showed caution with orders toward the end of the year due to concerns about the economic outlook, but structural steel demand centered on large factory construction projects such as semiconductor and EV-related factories is solid, and supply and demand generally continued to be tight. Sale prices of steel sheet/plate, etc. fell due to the decline in the scrap market in the second half of the fiscal year and market conditions for structural steel also softened, but a high metal margin has been maintained, and profits increased significantly year on year.

(Bahrain)

At SULB Company BSC(c) (SULB), economic conditions within the GCC region are improving due to rising oil prices resulting from factors such as the impact of the Ukraine situation. As construction activity such as infrastructure investment is recovering, product sales volume increased significantly as a result of efforts to strengthen sales including exports. Prices for steel products and semi-finished products were high while scrap prices rose internationally, resulting in an increase in profitability. Sale prices decreased with the reversal of scrap prices, but profit increased significantly year on year due to an increase in sales volume.

(Vietnam)

At Posco Yamato Vina Steel Joint Stock Company (PY VINA), demand for structural steel gradually increased in association with the recovery of economic activity after the lifting of COVID-19 restrictions, but the pace slowed due to the impact of the slowdown of the Chinese economy and deterioration of the real estate market, and sales volume has been sluggish since the beginning of the second half. Although a certain degree of earnings was secured due to improvement of the metal margin, profits decreased year on year due to a decrease in sales volume.

(South Korea)

At YK Steel Corporation, demand for rebar was comparatively strong in the first half due to measures to expand residential supply, but the company has been gradually affected by the impact of inflation and rising interest rates since the second half, and sales volume decreased year on year. In terms of earnings, although sales volume decreased, profit increased on an operating profit basis due to strengthening of cooperation in both manufacturing and sales with local joint venture partner Daehan Steel Co., Ltd. and securing a high metal margin.

(2) Issues to address

(Forecast for the Fiscal Year Ending March 31, 2024)

For the fiscal year ending March 31, 2024, although a recovery in steel demand is expected due to the resumption of economic activity in China, there continue to be concerns for a slump in the global economy such as the worldwide protraction of inflation and the Ukraine situation. Although demand for the H-beams and other products used in civil engineering and construction, the Group's main products, lacks momentum overall, we expect to achieve around the same level of total sales volume for the Group as the previous year by making efforts to secure sales volume including semi-finished products. We will continue to strive to maintain metal margin and reduce costs in each of our locations.

(Billion yen)

	Consolidated results of the fiscal year ended March 31, 2023	Consolidated forecast for the fiscal year ending March 31, 2024
Net sales	180.4	160.0
Operating profit	16.8	9.5
Ordinary profit	90.4	68.0
Profit attributable to owners of parent	65.3	48.0

(Management issues)

The Group will continue to engage in initiatives aimed at further business growth and the realization of a sustainable society to contribute to the advancement of global society and the realization of rich regional communities through a global steel business.

The Company intends to further stabilize and develop the overseas business, which is a major source of growth, with the aim of achieving further expansion. We will intensify measures aimed at improving business at our existing overseas sites, actively address the challenges of new growth investments for the future, as well as focus even more tightly on developing the human resources to support them. To achieve this, the Group will introduce the latest technologies and equipment in Yamato Steel, which is the mother factory of the Group, and work not only to improve safety, enhance cost competitiveness, engage in the improvement and stabilization of quality, and promote the strengthening of the foundation of the domestic business, but also to apply the know-how obtained through such efforts throughout the Group.

The Company also regards sustainability initiatives as an important management issue, and through its business activities it seeks to contribute to the development of all countries and regions where we operate, support the future of humankind, and help achieve a sustainable society. The Group has formulated a Medium-term Sustainability Plan that targets FY2025, and will promote specific measures for the sustainability of the Group from a medium-term perspective, and actively move forward to address risks and opportunities in order to support sustainable growth.

(3) Status of capital investment

During the period under review, the Company conducted capital investment totaling ¥5,423 million centered on investment to maintain and renew steel and press molding equipment in the Steel Division.

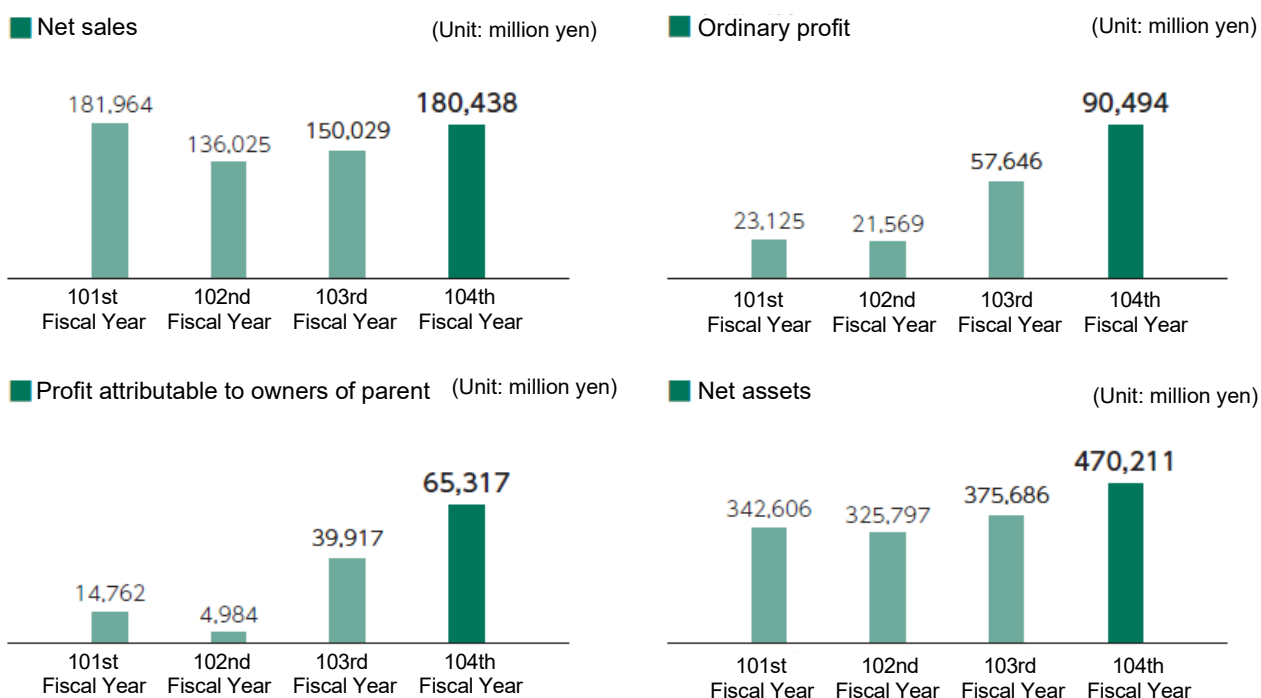
(4) Status of fund-raising

No financing through capital increases or the issuance of bonds took place during the period under review.

(5) Status of assets and profit/loss

Item	101st Fiscal Year	102nd Fiscal Year	103rd Fiscal Year	104th Fiscal Year
	(from April 1, 2019 to March 31, 2020)	(from April 1, 2020 to March 31, 2021)	(from April 1, 2021 to March 31, 2022)	(from April 1, 2022 to March 31, 2023)
Net sales (Million yen)	181,964	136,025	150,029	180,438
Ordinary profit (Million yen)	23,125	21,569	57,646	90,494
Profit attributable to owners of parent (Million yen)	14,762	4,984	39,917	65,317
Basic earnings per share (Yen)	220.72	75.29	618.62	1,025.49
Total assets (Million yen)	383,025	359,788	414,928	515,000
Net assets (Million yen)	342,606	325,797	375,686	470,211

(Note) Earnings per share are calculated using the average number of shares issued during the period (excluding treasury shares).



2. Status of the Group (as of March 31, 2023)

(1) Major sales offices and factories

(The Company)

Name	Location of head office	Sales offices and factories
Yamato Kogyo Co., Ltd.	Himeji-shi, Hyogo	—

(Consolidated subsidiaries and affiliates accounted for by the equity method)

Name	Location of head office	Sales offices and factories
Yamato Steel Co., Ltd.	Himeji-shi, Hyogo	Tokyo Branch (Minato-ku, Tokyo) Osaka Branch (Nishi-ku, Osaka)
Yamato Trackwork System Co., Ltd.	Himeji-shi, Hyogo	Tokyo Branch (Minato-ku, Tokyo) Osaka Branch (Nishi-ku, Osaka) Kyushu Sales Office (Hakata-ku, Fukuoka-shi)
Yamato Shoji Co., Ltd.	Himeji-shi, Hyogo	—
Matsubara Techno Co., Ltd.	Kako-gun, Hyogo	—
Yamato Korea Holdings Co., Ltd.	South Korea	—
Yamato Kogyo America, Inc.	United States	—
Yamato Kogyo (U.S.A.) Corporation	United States	—
Yamato Holding Corporation	United States	—
Siam Yamato Steel Co., Ltd.	Thailand	—
Nucor-Yamato Steel Company	United States	—
Arkansas Steel Associates LLC	United States	—
SULB Company BSC (c)	Bahrain	—
United Steel Company (“Sulb”) Bahrain venture Co. W. L. L.	Bahrain	—
United SULB Company (“Saudi Sulb”) LLC	Saudi Arabia	—
Posco Yamato Vina Steel Joint Stock Company	Vietnam	—
YK Steel Corporation	South Korea	—

(2) Major lenders

Not applicable.

In order to enable stable, flexible and efficient financing for future demand for funding, the Company has concluded a specified commitment line contract (syndication type commitment line contract) with three financial institutions.

(3) Status of major subsidiaries and affiliates

(Subsidiaries)

Name	Share capital or investments in capital	The Company's percentage of voting rights (including indirect holdings)	Main businesses
Yamato Holding Corporation	USD 46,000	100.00%	Investment in joint venture Nucor-Yamato Steel Company (25.00%)
Yamato Kogyo (U.S.A.) Corporation	USD 14,000	100.00%	Investment in joint venture Nucor-Yamato Steel Company (24.00%) Investment in joint venture Arkansas Steel Associates LLC (50.00%) Investment in Yamato Korea Holdings Co., Ltd. (75.00%)
Yamato Kogyo America, Inc.	USD 13,000	100.00%	Management of Yamato Holding Corporation and Yamato Kogyo (U.S.A.) Corporation
Yamato Steel Co., Ltd.	¥450 million	100.00%	Business related to the manufacture and sale of steel products and heavy industry products
Yamato Trackwork System Co., Ltd.	¥310 million	100.00%	Businesses related to the manufacture and sale of trackwork materials
Yamato Korea Holdings Co., Ltd.	KRW 5,937 million	100.00%	Business related to leasing of real estate Investment in joint venture YK Steel Corporation (30.00%)
Siam Yamato Steel Co., Ltd.	THB 3,000 million	64.18%	Businesses related to the manufacture and sale of steel products
Yamato Shoji Co., Ltd.	¥38 million	81.82%	Business related to transportation, medical waste processing and leasing of real estate
Matsubara Techno Co., Ltd.	¥20 million	100.00%	Manufacture and sale of counterweights Design, manufacture, installation and sale of plant equipment

(Note) The figures in parentheses under "Main businesses" indicate the percentages of investment in the respective companies.

(Affiliates)

Name	Share capital or investments in capital	The Company's percentage of voting rights (including indirect holdings)	Main businesses
Nucor-Yamato Steel Company	USD 185 million	49.00%	Businesses related to the manufacture and sale of steel products
Arkansas Steel Associates LLC	USD 26 million	50.00%	Business related to the manufacture and sale of steel products and trackwork materials
SULB Company BSC (c)	USD 705 million	49.00%	Businesses related to the manufacture and sale of steel products
United Steel Company ("Sulb") Bahrain venture Co. W. L. L.	USD 75 million	49.00%	Investment in joint venture United SULB Company ("Saudi Sulb") LLC
United SULB Company ("Saudi Sulb") LLC	SAR 206 million	49.00%	Businesses related to the manufacture and sale of steel products
Posco Yamato Vina Steel Joint Stock Company	VND 8,345,225 million	49.00%	Businesses related to the manufacture and sale of steel products
YK Steel Corporation	KRW 5,924 million	30.00%	Businesses related to the manufacture and sale of steel products

(4) Status of employees

1) Status of employees of corporate group

Number of employees	Change from end of previous fiscal year
1,398	Increased by 3

(Note) The number of employees is the number of personnel employed and excludes temporary employees.

2) Status of employees of the Company

Number of employees	Change from end of previous fiscal year	Average age	Average years of service
70	Increased by 2	39.4	9.8 years

(Note) The number of employees is the number of personnel employed and excludes temporary employees and seconded employees.

3. Matters Regarding the Company's Shares (as of March 31, 2023)

- (1) Total number of authorized shares: 171,257,770
- (2) Total number of issued shares: 65,000,000 (including 321,083 treasury shares)
- (3) Number of shareholders: 9,572
- (4) Status of major shareholders (top ten)

Shareholder name	Number of shares held	Percentage of shares held
The Master Trust Bank of Japan, Ltd. (Trust Account)	7,618,000	11.78%
Hiroyuki Inoue	7,559,000	11.69%
Inoue Real Estate Ltd.	4,592,000	7.10%
Mitsui & Co., Ltd.	4,573,000	7.07%
SMBC Trust Bank Ltd. (Sumitomo Mitsui Banking Corporation Pension Trust Account)	2,837,000	4.39%
Sumitomo Corporation	2,461,000	3.80%
Custody Bank of Japan, Ltd. (Trust Account)	2,078,000	3.21%
Kimiko Inoue	1,739,000	2.69%
Mizuho Bank, Ltd.	1,675,000	2.59%
CEP LUX - ORBIS SICAV	1,373,000	2.12%

(Note) The percentages of shares are calculated by excluding treasury shares.

- (5) Status of shares granted to the Company's officers as consideration for the execution of duties in the fiscal year under review

The details of share-based remuneration granted during the fiscal year under review are as follows.

The Company has introduced a restricted share-based remuneration system for the Company's Directors other than Outside Directors and Part-time Directors for the purpose of sustained improvement of corporate value by increasing shared value with shareholders through the holding of shares.

	Number of shares	Number of recipients of shares
Directors (excluding Outside Directors and Part-time Directors)	5,405 shares	5

(Note) In addition to the above, 5,105 shares were granted to seven Directors and three Executive Officers of the Company's subsidiaries.

4. Matters Regarding Company Officers

(1) Status of company officers (as of March 31, 2023)

Name	Current position and responsibilities in the Company	Significant concurrent positions outside the Company
Hiroyuki Inoue	Chairman	
Mikio Kobayashi	Representative Director, President	
Katsumasa Kohata	Representative Director, Executive Vice President Chief Technology Officer (Steel Business) in charge of Technology Management Department	
Kazuhiro Tsukamoto	Director, Managing Executive Officer in charge of Overseas Business Unit and Sustainability Management Promotion Office	
Kazumi Yonezawa	Director, Managing Executive Officer in charge of Financial Accounting Department, General Affairs Department, Personnel Department and System Management Department	
Damri Tunshevavong	Director	
Takenosuke Yasufuku	Director	Representative Director and President, KOBE SHU-SHIN-KAN BREWERIES, LTD.
Kiyoshige Akamatsu	Director	
Kunitoshi Takeda	Director	
Motomu Takahashi	Director	
Pimjai Wangkiat	Director	
Kengo Nakaya	Audit & Supervisory Board Member (full-time)	
Shigeaki Katayama	Audit & Supervisory Board Member (full-time)	
Mikio Nakajo	Audit & Supervisory Board Member	Representative Partner, Sawada Nakajo Mori Law Office Outside Director (Audit and Supervisory Committee Member), MORESCO Corporation President, Hyogo Prefecture Bar Association

- (Notes) 1. Directors Kiyoshige Akamatsu, Kunitoshi Takeda, Motomu Takahashi and Pimjai Wangkiat are Outside Directors specified under Article 2, Item (xv) of the Companies Act.
2. Audit & Supervisory Board Members Shigeaki Katayama and Mikio Nakajo are Outside Corporate Auditors specified under Article 2, Item (xvi) of the Companies Act.
3. Directors Kiyoshige Akamatsu, Kunitoshi Takeda and Motomu Takahashi, Pimjai Wangkiat, and Audit & Supervisory Board Members Shigeaki Katayama and Mikio Nakajo have been registered with the Tokyo Stock Exchange as independent officers.
4. Pimjai Wangkiat was newly elected as Director in the 103rd Ordinary General Meeting of Shareholders held on June 29, 2022.
5. Audit & Supervisory Board Member Shigeaki Katayama has many years of experience in financial institutions, and has considerable knowledge related to finance and accounting.
6. Audit & Supervisory Board Member Mikio Nakajo retired as President of the Hyogo Prefecture Bar Association effective March 31, 2023.

(2) Overview of content of agreements limiting liability

The Company has entered into agreements limiting liability with Damri Tunshevavong, Takenosuke Yasufuku, Kiyoshige Akamatsu, Kunitoshi Takeda, Motomu Takahashi, Pimjai Wangkiat, Kengo Nakaya, Shigeaki Katayama and Mikio Nakajo pursuant to Article 427, Paragraph 1 of the Companies Act. The limit on liability for compensation for damages pursuant to the agreements is the minimum liability amount specified in Article 425, Paragraph 1 of the Companies Act.

(3) Overview of directors and officers liability insurance policy

The Company has entered into a directors and officers liability insurance policy pursuant to Article 430-3, Paragraph 1 of the Companies Act with an insurance company and damages arising from being held liable for the execution of duties by the insured and being subject to claims seeking such liability are covered by the insurance policy. However, damages, etc. caused by acts conducted while aware of a violation of laws and regulations are excluded from coverage to ensure the appropriateness of execution of duties of the insured is not impaired.

The insured under the insurance policy are the Directors, Audit & Supervisory Board Members and Executive Officers of the Company and certain subsidiaries, and the Company bears the cost of all insurance premiums.

(4) Remuneration, etc. for company officers

1) Total amount of remuneration, etc. of Directors and Audit & Supervisory Board Members

Type of officer	Total amount of remuneration, etc. (Million yen)	Total amount of remuneration, etc. by type (Million yen)				Number of recipients
		Monetary remuneration			Non-financial remuneration, etc.	
		Total	Base remuneration	Performance-linked remuneration, etc.		
Directors (Outside Directors)	481 (53)	457 (53)	275 (53)	182 (—)	24 (—)	11 (4)
Audit & Supervisory Board Members (Outside Audit & Supervisory Board Members)	58 (34)	58 (34)	58 (34)	— (—)	— (—)	3 (2)

(Note) The non-financial remuneration, etc. consists of the Company's restricted share-based remuneration, which is set to no more than ¥100 million annually, and separately from the amount of up to ¥470 million in monetary remuneration.

2) Matters regarding resolutions of the General Meeting of Shareholders on remuneration, etc. of Directors and Audit & Supervisory Board Members

The amount of remuneration of the Company's Directors was approved to be up to ¥470 million per year (including up to ¥30 million per year for Outside Directors; not including employee wages for Directors who concurrently serve as employees) in the 98th Ordinary General Meeting of Shareholders held on June 29, 2017. The number of Directors as of the conclusion of the relevant General Meeting of Shareholders was 12 (including one Outside Director). Furthermore, the remuneration amount of Directors up to ¥470 million per year was made to include the remuneration amount of Outside Directors up to ¥70 million per year by resolution of the 103rd Ordinary General Meeting of Shareholders held on June 29, 2022. The number of Directors as of the conclusion of the relevant General Meeting of Shareholders was 11 (including four Outside Directors).

Furthermore, the Company introduced a "restricted share-based remuneration system" at the 102nd Ordinary General Meeting of Shareholders held on June 29, 2021, which resolved to make the total amount of monetary claims paid to Directors pursuant to the system up to ¥100 million per year apart from the above remuneration limit. The number of Directors eligible for share-based remuneration as of the conclusion of the relevant General Meeting of Shareholders was five (excluding Outside Directors and Part-time Directors).

The amount of remuneration of Audit & Supervisory Board Member was resolved to be up to ¥75 million per year in the 98th Ordinary General Meeting of Shareholders held on June 29, 2017. The number of Audit & Supervisory Board Members as of the conclusion of the relevant General Meeting of Shareholders was three.

3) Matters concerning the policy on determining the remuneration, etc. of individual Directors

The policy on determination of the remuneration, etc. of individual Directors is specified as follows.

- Remuneration of the Company's Directors (excluding Outside Directors and Part-time Directors) is paid at a fixed time every month as monthly remuneration made up of fixed portion of remuneration determined based on comprehensive consideration of the responsibility to supervise management of the Company in addition to the responsibility to contribute to Group management and position, etc., and the performance-linked portion of remuneration determined according to the level of achievement of performance targets and individual evaluations, etc. The total amount of remuneration of Directors was specified as being up to ¥470 million per year at the 98th Ordinary General Meeting of Shareholders held on June 29, 2017. Furthermore, at the 102nd Ordinary General Meeting of Shareholders held on June 29, 2021, as part of the review of the officer remuneration system, a decision was made to pay remuneration for the granting of restricted shares to eligible Directors for the purpose of providing the Company's Directors (excluding Outside Directors and Part-time Directors) an incentive for the sustained enhancement of the Company's corporate value and further promoting the sharing of value with shareholders, and the total amount of monetary claims paid to eligible Directors under the system is specified as being up to ¥100 million per year apart from the remuneration limit of ¥470 million per year.

Remuneration for granting restricted shares is allocated at a fixed time every year. The amount of remuneration of individual Directors is determined within the remuneration limit resolved by the General Meeting of Shareholders by the Representative Director, President delegated by the Board of Directors based on deliberation and recommendations of the Remuneration Committee.

- The indicator for performance-linked remuneration is consolidated ordinary profit, etc. and the standard value is set based on the consolidated ordinary profit under the annual business plan, with a coefficient table being set with a minimum of 0 and a maximum of 2.0 according to annual performance. The coefficient is used as a multiplier for the standard amount of performance-linked remuneration for each position to calculate individual performance-linked remuneration every year.
- The percentages of payment of fixed remuneration, performance-linked remuneration and restricted share-based remuneration vary depending on the fiscal year's performance and position, but are generally designed to be 50% fixed remuneration, 40% performance-linked remuneration and 10% restricted share-based remuneration.
- A voluntary Remuneration Committee chaired by an Outside Director has been established to ensure the transparency and objectivity of determination of remuneration of Directors, and the Remuneration Committee conducts reviews of the officer remuneration system (such as reviews of remuneration levels, performance evaluation KPIs and standard values) with consideration for the management environment and general remuneration levels, and deliberates upon the remuneration of Directors and makes recommendations to the Board of Directors based on consultation with the Board of Directors.

The policy on determination of remuneration, etc. is determined by the Board of Directors based on deliberation in the Remuneration Committee. When determining the details of remuneration, etc. of individual Directors for the fiscal year under review, the Remuneration Committee conducted multifaceted consideration of the original proposal including consistency of with the determination policy, and the Board of Directors respected these recommendations and found them to be in line with the determination policy.

4) Matters concerning performance-linked remuneration, etc.

The indicator for performance-linked remuneration is consolidated ordinary profit, etc. and the reason for choosing this indicator is to clarify responsibility to the Group's overall performance. The standard value is set based on the consolidated ordinary profit under the annual business plan, with a coefficient table being set with a minimum of 0 and a maximum of 2.0 according to annual performance. The coefficient is used as a multiplier for the standard amount of performance-linked remuneration for each position to calculate individual performance-linked remuneration every year.

Furthermore, the standard value (coefficient 1.0) for the indicator for performance-linked remuneration (consolidated ordinary profit) is ¥22.2 billion to ¥24.7 billion, and the actual result in the fiscal year under review (using the figures for the fiscal year ended March 31, 2022) was ¥57.6 billion (coefficient 2.0).

5) Matters concerning the delegation of determination of the remuneration, etc. of individual Directors
The determination of specific details of individual remuneration of Directors within the amount of remuneration, etc. resolved by the General Meeting of Shareholders is delegated to Representative Director, President Mikio Kobayashi by resolution of the Board of Directors. The reason for delegation to the Representative Director, President is because it was determined that he has the greatest knowledge of the Group such as the environment surrounding the Group and the management condition of the Group, and is capable of comprehensively determining the amounts of remuneration of officers. Steps have been taken to ensure authority is exercised appropriately without making arbitrary decisions due to decisions being made after deliberation by the voluntary Remuneration Committee chaired by an Outside Director.

(5) Matters regarding outside officers

1) Significant concurrent positions and relationships with entities where such positions are held
Audit & Supervisory Board Members Mikio Nakajo concurrently serves as Representative Partner of Sawada Nakajo Mori Law Office and an Outside Director who is an Audit and Supervisory Committee Member of MORESCO Corporation and Chairman of Hyogo Bar Association, but there are no significant transactions or special relationships with these.

2) Status of the main activities of outside officers

Item	Name	Status of main activities
Outside Director	Kiyoshige Akamatsu	He attended all six meetings of the Board of Directors held in the fiscal year under review, and made comments required for the deliberation of proposals. Furthermore, he provided advice, etc. for the enhancement of the Company's medium- to long-term corporate value, served as chair of the voluntary Nomination Committee and Remuneration Committee, and fulfilled the important role of supervising management from an independent and objective perspective.
	Kunitoshi Takeda	He attended all six meetings of the Board of Directors held in the fiscal year under review, and made comments required for the deliberation of proposals. Furthermore, he provided advice, etc. for the enhancement of the Company's medium- to long-term corporate value, served as a member of the voluntary Nomination Committee and Remuneration Committee, and fulfilled the important role of supervising management from an independent and objective perspective.
	Motomu Takahashi	He attended all six meetings of the Board of Directors held in the fiscal year under review, and made comments required for the deliberation of proposals. Furthermore, he provided advice, etc. for the enhancement of the Company's medium- to long-term corporate value, served as a member of the voluntary Nomination Committee and Remuneration Committee, and fulfilled the important role of supervising management from an independent and objective perspective.
	Pimjai Wangkiat	She attended all four meetings of the Board of Directors held since her appointment as Outside Director, and made comments required for the deliberation of proposals.
Outside Audit & Supervisory Board Members	Shigeaki Katayama	He attended all six meetings of the Board of Directors held in the fiscal year under review, and made comments required for the deliberation of proposals. Similarly, he attended all 13 meetings of the Audit & Supervisory Board held in the fiscal year under review, exchanged opinions on audit results and conducted discussion of important matters related to auditing.
	Mikio Nakajo	He attended all six meetings of the Board of Directors held in the fiscal year under review, and made comments required for the deliberation of proposals. Similarly, he attended all 13 meetings of the Audit & Supervisory Board held in the fiscal year under review, exchanged opinions on audit results and conducted discussion of important matters related to auditing.

(Note) Six meetings of the Board of Directors and 13 meetings of the Audit & Supervisory Board were held in the fiscal year under review.

5. Matters Regarding the Accounting Auditor

(1) Name of accounting auditor

PricewaterhouseCoopers Aarata LLC

(2) Amount of remuneration, etc. for the fiscal year under review

(Thousand yen)

Amount of remuneration for services under Article 2, Paragraph 1 of the Certified Public Accountants Act	50,000
Amount of remuneration for services other than services under Article 2, Paragraph 1 of the Certified Public Accountants Act	406
Total amount of money or other economic benefits to be paid by the Company and the Company's subsidiaries	50,406

(Note) The audit agreement between the Company and the accounting auditor does not differentiate between the amount of remuneration for auditing under the Companies Act and the amount of remuneration for auditing pursuant to the Financial Instruments and Exchange Act. Therefore, the above amounts are stated as the totals for these.

(3) Details of non-auditing services

The details of non-auditing services for which subsidiaries of the Company pay remuneration to PricewaterhouseCoopers Aarata LLC are procedures agreed upon for applications for exemption pursuant to the Act on Special Measures Concerning Procurement of Electricity from Renewable Energy Sources by Electricity Utilities.

(4) Matters regarding audits of subsidiaries

The Company's subsidiaries located overseas are audited by certified public accountants or audit firms other than PricewaterhouseCoopers Aarata LLC.

(5) Consent on the amount of remuneration, etc. of the accounting auditor

The Audit & Supervisory Board has provided consent under Article 399, Paragraph 1 of the Companies Act for the remuneration, etc. of the accounting auditor as a result of comparing the audit plan and results for the previous fiscal year and confirming the audit time and remuneration, and verifying the appropriateness of the scheduled audit time and remuneration, etc. for the fiscal year under review based on the Practical Guideline on Coordination with Accounting Auditors published by Japan Audit & Supervisory Board Members Association.

(6) Policies for determination of dismissal or refusal of reelection of the accounting auditor

If it is found that there is an impediment to the appropriate execution of duties of the accounting auditor, the Audit & Supervisory Board determines the content of a proposal for the dismissal or refusal of reelection of the accounting auditor for the General Meeting of Shareholders.

If it is found that any of the items under Article 340, Paragraph 1 of the Companies Act applies to the accounting auditor, the Audit & Supervisory Board will dismiss the accounting auditor based on the consent of all Audit & Supervisory Board Members. In this case, an Audit & Supervisory Board Member selected by the Audit & Supervisory Board Members will report the dismissal of the accounting auditor and the reason of dismissal in the first General Meeting of Shareholders held after the dismissal.

6. Systems for Ensuring the Appropriateness of Operations and the Operating Status of Such Systems
[Systems for ensuring the appropriateness of operations]

- (1) System for ensuring the execution of duties by Directors is conducted in accordance with laws, regulations and the Articles of Incorporation, and efficiently
 - 1) Internal control systems such as compliance are established and improved to ensure operations are executed appropriately.
 - 2) Audit reports, audit plans and periodic reports on the status of audits are periodically received from the Audit & Supervisory Board Members, and an effort is made to ensure the appropriateness of execution of duties of Directors at the same time as working to strengthen communication among Directors by improving the Board of Directors.
 - 3) The Company assumes a resolute attitude toward antisocial forces that threaten the order of civic society and corporate activities, and firmly rejects all unreasonable pressure and demands.

- (2) System for retention and management of information on the execution of duties of Directors
Information and documents on the execution of duties of Directors are retained and managed appropriately, reliably and in a highly searchable state according to the storage media based on the Regulations on Management of Documents and Records, and kept in a viewable state for the retention period specified in the Regulations on Management of Documents and Records.

- (3) Regulations and other systems on managing the risk of losses
 - 1) The Company has specified the Management Crisis Management Regulations as the basis for the risk management system, and recognizes the risks specified in the Management Crisis Management Regulations as risks pertaining to the execution of the Company's operations, and is building a risk management system in accordance with these regulations.
 - 2) In the event of an unforeseen situation, a task force headed by the President will be established, and an information communication team and an external advisory team, including legal counsel, will be organized to swiftly respond to the situation and establish a system to prevent and minimize the spread of damage.

- (4) System for ensuring the efficient execution of duties by Directors
 - 1) In addition to regularly holding meetings of the Board of Directors as the basis for the system for ensuring the efficient execution of duties by Directors, irregular meetings are also held as needed, and important matters concerning the Company's management policies and management strategies are discussed in advance in the Management Committee made up of Directors with special titles, and decisions on execution are made based on these deliberations.
 - 2) The personnel responsible for execution of operations based on decisions of the Board of Directors, their respective responsibilities and details on execution procedures are specified in the Office Organization Regulations and the Regulations on Division of Duties.

- (5) System for ensuring execution of duties of employees in accordance with laws, regulations and the Articles of Incorporation
 - 1) The Yamato Kogyo Group Employee Code of Conduct has been stipulated as the basis for the compliance system. An Internal Audit Office has been established directly under the President to build, maintain and improve the internal control system.
 - 2) The Internal Audit Office receives reports on the results of internal audits (regular and irregular) by internal control committee members, and formulates relevant rules and guidelines and conducts training for the departments responsible in the Company and Group companies as needed.
 - 3) The Internal Audit Office promptly reports to the President and Audit & Supervisory Board Members when a serious legal violation or other important fact related to compliance is found in the Company or a Group company, and also makes reports in meetings of the Board of Directors.
 - 4) An internal whistleblower system is operated for the reporting of legal violations and other facts related to compliance based on the Whistleblower Protection Regulations and the Yamato Kogyo Group Employee Code of Conduct.
 - 5) The Internal Audit Office and Audit & Supervisory Board Members are able to state opinions when a problem is found with the operation of the Company's legal compliance system and internal whistleblower system.
 - 6) In order to ensure the reliability of financial reporting, the Company will establish, build and endeavor to make improvements to operational systems related to finance.

- (6) System for ensuring appropriateness of operations in the Group made up of the Company and its subsidiaries
- 1) In order to ensure the appropriateness of operations in Group companies, regulations are stipulated in each Group company based on the Yamato Kogyo Group Employee Code of Conduct serving as the code of conduct applicable to all Group companies.
With regard to corporate management, in order to conduct appropriate and efficient management in the Group, basic management policies are stipulated in each Group company, and management of subsidiaries is conducted based on the system for obtaining approval from and reporting to the Company in accordance with the Group Company Management Regulations, and monitoring is conducted as needed.
Directors report to the President and the Audit & Supervisory Board Members if a legal violation or other important fact related to compliance is found in a Group company.
 - 2) If a legal violation or compliance problem is found due to the implementation of an audit of management of a subsidiary by an internal control committee member, the internal control committee member reports to the Internal Audit Office, and the Internal Audit Office promptly reports to the Audit & Supervisory Board Members. Furthermore, the Internal Audit Office and Audit & Supervisory Board Members may state opinions to subsidiaries on these reports, and also request the formulation of improvement measures.
 - 3) The Management Crisis Management Regulations have been established as the basis for the risk management system, and a risk management system in line with the regulations is built in coordination with Group companies.
- (7) System for employees assisting the duties of Audit & Supervisory Board Member and matters related to the independence of such employees from Directors
- 1) If an Audit & Supervisory Board Member requests the appointment of an employee to assist his or her duties, an employee of the Company is assigned as a Audit & Supervisory Board Member assistant.
 - 2) Audit & Supervisory Board Member assistants are under the control of each Audit & Supervisory Board Member, and the appointment, evaluation, transfer, etc. of Audit & Supervisory Board Member assistants are conducted with the consent of the Audit & Supervisory Board or a Full-time Audit & Supervisory Board Member specified by the Board of Corporate Auditors.
- (8) System for Directors and employees of the Company and Group companies reporting to the Company's Audit & Supervisory Board Members
- 1) The matters to be reported and timing of reports by Directors and employees of the Company and Group companies to the Audit & Supervisory Board Members are specified, and reports are made to Audit & Supervisory Board Members each time there is an important matter that has an impact on the Company's operations or performance.
Notwithstanding the foregoing information, Audit & Supervisory Board Members may request reports from Directors and employees as needed at any time.
 - 2) An appropriate system for reporting legal violations and other compliance problems to Audit & Supervisory Board Members is ensured by maintaining appropriate operation of the internal whistleblower system.
 - 3) Unfair treatment of Directors and employees of the Company and Group companies who report to Audit & Supervisory Board Members on the grounds of making the report is prohibited.
 - 4) When an Audit & Supervisory Board Member makes a request to the Company for advance payment of expenses, etc. with respect to the execution of their duties, this shall be discussed in the department responsible, and the expenses or debt shall be promptly processed unless it can be proven that the requested expense or debt is not required for the execution of the duties of the Audit & Supervisory Board Member.

[Overview of operating status of systems for ensuring the appropriateness of operations]

(1) Execution of duties of Directors

Pursuant to the Board of Directors Regulations and other internal rules, six meetings of the Board of Directors and 13 meetings of the Management Committee were held in the fiscal year under review to make decisions on matters stipulated in laws, regulations and the Articles of Incorporation and important matters related to the execution of operations, and to mutually supervise the execution of duties through communication among Directors.

(2) Compliance system

Compliance training is regularly conducted for Directors and employees to increase understanding and raise awareness of compliance. Furthermore, a contact (hotline) including external attorneys has been established for the internal whistleblower system, and whistleblower protection is explicitly stated in and operated in accordance with internal regulations.

(3) Risk management

The Company conducts appropriate management and is engaged in the mitigation and prevention of risks based on the provisions on risks in the Management Crisis Management Regulations, etc. Furthermore, drills based on the assumption of the occurrence of a disaster, etc. are regularly conducted.

(4) Corporate management of Group companies

With regard to corporate management of Group companies, efforts are made to ensure the appropriateness of Group companies' operations by having officers or employees of the Company concurrently serve as Directors or Audit & Supervisory Board Members of Group companies. Furthermore, important management information on Group companies is reported to the Company's Board of Directors as needed in accordance with the Group Company Management Regulations.

(5) Execution of duties of Audit & Supervisory Board Members

Audit & Supervisory Board Members including Outside Audit & Supervisory Board Members conduct audits according to the audit plans specified by the Audit & Supervisory Board and also attend meetings of the Board of Directors, etc., and also conduct audits on the execution of duties by Directors and confirm the status of establishment and operation of internal controls by periodically exchanging opinions with Representative Directors and coordinating with the accounting auditor and Internal Audit Office.

(Note) The amounts stated in this Business Report are rounded down to the nearest unit represented.

Consolidated Financial Statements
Consolidated Balance Sheets (As of March 31, 2023)

(Unit: million yen)

Item	Amount	Item	Amount
Assets		Liabilities	
Current assets	238,243	Current liabilities	21,498
Cash and deposits	162,422	Notes and accounts payable - trade	10,592
Notes receivable - trade	256	Accounts payable - other	2,929
Accounts receivable - trade	27,974	Income taxes payable	3,036
Securities	19	Provision for bonuses	752
Merchandise and finished goods	18,324	Other	4,187
Work in process	652	Non-current liabilities	23,289
Raw materials and supplies	20,855	Deferred tax liabilities	17,269
Other	7,760	Retirement benefit liability	2,050
Allowance for doubtful accounts	(22)	Other	3,969
Non-current assets	276,756		
Property, plant and equipment	63,392		
Buildings and structures	11,593		
Machinery, equipment and vehicles	27,669		
Tools, furniture and fixtures	384		
Land	18,884		
Construction in progress	2,782		
Other	2,077		
Intangible assets	1,838		
Goodwill	707		
Other	1,130		
Investments and other assets	211,526		
Investment securities	73,173		
Investments in capital	102,143		
Long-term loans receivable from subsidiaries and associates	25,144		
Long-term time deposits	9,462		
Retirement benefit asset	895		
Other	1,007		
Allowance for doubtful accounts	(301)		
Total assets	515,000		
		Total liabilities	44,788
		Net assets	
		Shareholders' equity	376,865
		Share capital	7,996
		Capital surplus	15
		Retained earnings	370,233
		Treasury shares	(1,380)
		Accumulated other comprehensive income	63,757
		Valuation difference on available-for-sale securities	5,473
		Foreign currency translation adjustment	58,456
		Remeasurements of defined benefit plans	(172)
		Non-controlling interests	29,588
		Total net assets	470,211
		Total liabilities and net assets	515,000

Consolidated Statements of Income (from April 1, 2022 to March 31, 2023)

(Unit: million yen)

Item	Amount	
Net sales		180,438
Cost of sales		148,755
Gross profit		31,682
Selling, general and administrative expenses		14,869
Operating profit		16,813
Non-operating income		
Interest income and dividend income	4,095	
Equity in earnings of affiliates	66,258	
Foreign exchange gains	2,558	
Other	945	73,857
Non-operating expenses		
Interest expenses	86	
Loss on disaster	43	
Other	45	175
Ordinary profit		90,494
Extraordinary income		
Gain on sale of non-current assets	12	
Gain on sale of investment securities	7	19
Extraordinary losses		
Loss on retirement of non-current assets	64	
Loss on Fair-trade Act	1,199	
Other	13	1,278
Profit before income taxes		89,235
Income taxes - current	20,185	
Income taxes - refund	(1,570)	
Income taxes - deferred	2,414	21,030
Profit		68,205
Profit attributable to non-controlling interests		2,887
Profit attributable to owners of parent		65,317

Consolidated Statements of Changes in Net Assets (from April 1, 2022 to March 31, 2023)

(Unit: million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance as of April 1, 2022	7,996	—	320,784	(1,412)	327,369
Change during the fiscal year					
Dividends of surplus			(15,868)		(15,868)
Profit attributable to owners of parent			65,317		65,317
Purchase of treasury shares				(0)	(0)
Disposal of treasury stock upon restricted stock compensation		15		33	48
Net changes in items other than shareholders' equity					
Total change during the fiscal year	—	15	49,449	32	49,496
Balance as of March 31, 2023	7,996	15	370,233	(1,380)	376,865

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance as of April 1, 2022	4,490	18,649	(157)	22,982	25,335	375,686
Change during the fiscal year						
Dividends of surplus						(15,868)
Profit attributable to owners of parent						65,317
Purchase of treasury shares						(0)
Disposal of treasury stock upon restricted stock compensation						48
Net changes in items other than shareholders' equity	982	39,807	(15)	40,775	4,253	45,028
Total change during the fiscal year	982	39,807	(15)	40,775	4,253	94,525
Balance as of March 31, 2023	5,473	58,456	(172)	63,757	29,588	470,211

Non-consolidated Financial Statements
Balance Sheets (As of March 31, 2023)

(Unit: million yen)

Item	Amount	Item	Amount
Assets		Liabilities	
Current assets	5,048	Current liabilities	15,115
Cash and deposits	2,224	Short-term borrowings from subsidiaries and associates	14,390
Accounts receivable - trade	355	Accounts payable - other	237
Accounts receivable - other	1,986	Accrued expenses	214
Other	482	Income taxes payable	95
Allowance for doubtful accounts	(0)	Provision for bonuses	105
		Other	73
Non-current assets	118,268	Non-current liabilities	4,768
Property, plant and equipment	2,068	Long-term accounts payable - other	804
Buildings	493	Deferred tax liabilities	3,693
Structures	61	Retirement benefit liability	248
Machinery and equipment	14	Other	22
Vehicles	6	Total liabilities	19,884
Tools, furniture and fixtures	36	Net assets	
Land	1,226	Shareholders' equity	98,126
Construction in progress	147	Share capital	7,996
Other	83	Capital surplus	15
		Other capital surplus	15
Intangible assets	115	Retained earnings	91,124
		Legal retained earnings	1,999
Investments and other assets	116,084	Other retained earnings	89,125
Investment securities	11,802	Reserve for specific purpose	42
Shares of subsidiaries and affiliates	78,807	General reserve	26,090
Long-term loans receivable from subsidiaries and associates	24,917	Retained earnings brought forward	62,993
Other	630	Treasury shares	(1,009)
Allowance for doubtful accounts	(74)	Valuation and translation adjustments	5,305
		Valuation difference on available-for-sale securities	5,305
Total assets	123,317	Total net assets	103,432
		Total liabilities and net assets	123,317

Non-consolidated Financial Statements
Statements of Income (from April 1, 2022 to March 31, 2023)

(Unit: million yen)

Item	Amount	
Operating income		23,143
Operating expenses		
Selling, general and administrative expenses		3,011
Operating profit		20,131
Non-operating income		
Interest income and dividend income	1,208	
Foreign exchange gains	2,330	
Other	109	3,647
Non-operating expenses		
Interest expenses	56	
Other	0	56
Ordinary profit		23,723
Extraordinary income		
Gain on sale of investment securities	7	7
Extraordinary losses		
Loss on retirement of non-current assets	18	
Other	2	20
Profit before income taxes		23,710
Income taxes - current	576	
Income taxes - deferred	635	1,211
Profit		22,498

Statements of Changes in Net Assets (from April 1, 2022 to March 31, 2023)

(Unit: million yen)

	Shareholders' equity							
	Share capital	Capital surplus		Legal retained earnings	Retained earnings			Total retained earnings
		Other capital surplus	Total capital surplus		Reserve for specific purpose	General reserve	Retained earnings brought forward	
Balance as of April 1, 2022	7,996	—	—	1,999	—	26,090	56,705	84,794
Change during the fiscal year								
Dividends of surplus							(16,168)	(16,168)
Provision of reserve for specific purpose					42		(42)	—
Profit							22,498	22,498
Purchase of treasury shares								
Disposal of treasury stock upon restricted stock compensation		15	15					
Net changes in items other than shareholders' equity								
Total change during the fiscal year	—	15	15	—	42	—	6,287	6,329
Balance as of March 31, 2023	7,996	15	15	1,999	42	26,090	62,993	91,124

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance as of April 1, 2022	(1,042)	91,749	4,338	4,338	96,088
Change during the fiscal year					
Dividends of surplus		(16,168)			(16,168)
Provision of reserve for specific purpose		—			—
Profit		22,498			22,498
Purchase of treasury shares	(0)	(0)			(0)
Disposal of treasury stock upon restricted stock compensation	33	48			48
Net changes in items other than shareholders' equity			967	967	967
Total change during the fiscal year	32	6,377	967	967	7,344
Balance as of March 31, 2023	(1,009)	98,126	5,305	5,305	103,432